

# SIDLEY & AUSTIN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

CHICAGO  
LOS ANGELES  
NEW YORK  
NOV 12 1993 5:00 PM  
INTERSTATE COMMERCE COMMISSION

1722 EYE STREET, N W  
WASHINGTON, D.C. 20006  
TELEPHONE 202 736-8000  
TELEX 89-463  
FACSIMILE 202 736-8711

18468  
LONDON  
SINGAPORE  
TOKYO  
NOV 12 1993 5:00 PM  
INTERSTATE COMMERCE COMMISSION

125th  
Anniversary  
1866-1991

November 12, 1993

WRITER'S DIRECT NUMBER

0100042000  
18468  
NOV 12 1993 5:00 PM  
INTERSTATE COMMERCE COMMISSION

Office of the Secretary  
Recordations Unit  
Room 2303  
Interstate Commerce Commission  
12th and Constitution Avenue, N.W.  
Washington, D.C. 20423

Attention: Ms. Mildred Lee

Dear Ms. Lee:

Enclosed are three original counterparts of each of the documents described below, to be recorded pursuant to 49 U.S.C. § 11303.

The first document, Equipment Lease Agreement, dated as of November 12, 1993, is a primary document. The names and addresses of the parties to such document are as follows:

Southern Pacific Transportation Company  
One Market Plaza, Room 666  
San Francisco, CA 94105

AT&T Commercial Finance Corporation  
44 Whippany Road  
Morristown, NJ 07962-1983

The second document, Lease Supplement No. 1 dated November 12, 1993, is a secondary document. The names and addresses of the parties to such document are as follows:

Southern Pacific Transportation Company  
One Market Plaza, Room 666  
San Francisco, CA 94105

AT&T Commercial Finance Corporation  
44 Whippany Road  
Morristown, NJ 07962-1983

Counterparts - Sarah [signature]

November 12, 1993  
Page 2

The third document, Lease Supplement No. 2 dated November 12, 1993, is a secondary document. The names and addresses of the parties to such document are as follows:

Southern Pacific Transportation Company  
One Market Plaza, Room 666  
San Francisco, CA 94105

AT&T Commercial Finance Corporation  
44 Whippany Road  
Morristown, NJ 07962-1983

The equipment affected by the documents consists of one hundred seventy-seven 100-ton, twin trough coil steel flat cars described in Lease Supplement No. 1 to the Equipment Lease and one hundred fifteen 100-ton quadruple hopper cars designed for rotary or bottom dump service specifically described in Lease Supplement No. 2 to the Equipment Lease Agreement.

A filing fee of \$54.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned.

A short summary of the documents to appear in the index follows:

Equipment Lease Agreement dated as of November 12, 1993, between AT&T Commercial Finance Corporation, as Lessor and Southern Pacific Transportation Company, as Lessee, covering hopper and steel coil cars identified by the Lessee in the Lease Supplements.

Lease Supplement No. 1 dated November 12, 1993 between AT&T Commercial Finance Corporation, as Lessor, and Southern Pacific Transportation Company, as Lessee, covering coil steel cars identified by the Lessee in Schedule A thereto.

Lease Supplement No. 2 dated November 12, 1993 between AT&T Commercial Finance Corporation, as Lessor, and Southern Pacific Transportation Company, as Lessee, covering hopper cars identified by the Lessee in Schedule A thereto.

Very truly yours,



G. Paul Moates

Enclosures

# Interstate Commerce Commission

Washington, D.C. 20423

11/12/93

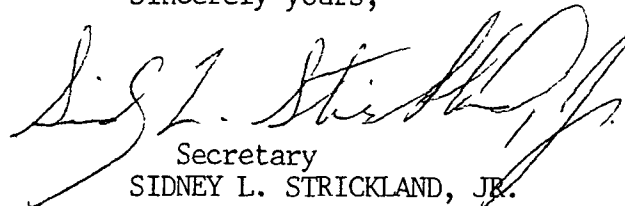
OFFICE OF THE SECRETARY

G. Paul Moates  
Sidley & Austin  
1722 Eye Street, NW  
Washington, DC 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/12/93 at 3:35PM, and assigned recordation number(s). 18468-18468-A, 18468-B and 18468-C.

Sincerely yours,



Secretary  
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

LEASE SUPPLEMENT NO. 2

NOV 12 1993 3:22 PM

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FID 105

LEASE SUPPLEMENT No. 2, dated November 12, 1993 (this "Lease Supplement"), between AT&T Commercial Finance Corporation, a Delaware corporation ("Lessor"), and Southern Pacific Transportation Company, a Delaware corporation ("Lessee").

Lessor and Lessee have heretofore entered into that certain Equipment Lease Agreement, dated as of November 12, 1993 (as amended and supplemented from time to time, the "Lease Agreement") relating to the lease of certain railcars by Lessor to Lessee. Capitalized terms used herein without definition shall have the respective meanings set forth in the Lease Agreement. The Lease Agreement provides for the execution and delivery from time to time of Lease Supplements for the purpose of leasing the Equipment under the Lease Agreement as and when delivered in accordance with the terms thereof.

1. This Lease Supplement relates to the Items of Equipment described below and the Lease Agreement is made a part hereof.

2. This Lease Supplement is being filed for recordation with the Interstate Commerce Commission.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Lessor hereby delivers and leases to Lessee under the Lease Agreement and hereunder and Lessee hereby accepts and leases from Lessor under the Lease Agreement and hereunder one hundred fifteen (115) aluminum/steel 100-ton quadruple hopper cars designed for rotary or bottom dump service manufactured by Johnstown America Corporation ("Seller") and identified on Schedule A hereto. Lessee acknowledges that Lessor has full right, title and interest of ownership in the Items of Equipment leased hereby, free and clear of any lien, claim, charge or other encumbrance created by Lessee or any Person claiming through Lessee other than the leasehold interest created in favor of Lessee pursuant to the Lease Agreement and hereunder.

2. The Commencement Date of the lease for the Items of Equipment leased hereby is the date of this Lease Supplement set forth in the opening paragraph hereof. The Initial Term for the Items of Equipment leased hereby shall commence on the Commencement Date and end on December 8, 2008.

3. Lessee shall pay to Lessor, in accordance with the terms of the Lease Agreement, as basic rent, Rental Payments with respect to the Initial Term of the lease for the Items of Equipment leased hereby in an amount set forth in Schedule B hereto on the Payment Dates set forth on Schedule B hereto.

4. Lessor's aggregate purchase price for all Items of Equipment leased hereby is \$5,693,185.40 and Lessor's purchase price for each Item of Equipment ("Per Item Purchase Price") is \$49,505.96 Lessee hereby represents and warrants to the Lessor that the aggregate purchase price and Per Item Purchase Price set forth above is the aggregate purchase price for the Items of Equipment and the purchase price for each Item of Equipment, respectively, payable by Lessee to Seller under the Purchase Documents. For purposes of the Lease Agreement and this Lease Supplement, the Stipulated Loss Value of each Item of Equipment shall be determined by multiplying the Stipulated Loss Value Percentage (as specified in Schedule C hereto) applicable to the applicable Succeeding Payment Date or Next Succeeding Payment Date, as defined in Section 13 of the Lease Agreement (in the event of a Loss), or in which payments upon an Event of Default are required by Lessor to be made (in the event of an Event of Default), by the Per Item Purchase Price.

5. Lessee hereby confirms to Lessor that Lessee has accepted the Items of Equipment leased hereby for all purposes hereof and of the Lease Agreement as being in good working order and repair and without defect or inherent vice in title, condition, design, operation or fitness for use; provided, however, that nothing contained herein or in the Lease Agreement shall in any way diminish or otherwise affect any right Lessee or Lessor may have with respect to the Equipment leased hereby against Seller or any subcontractor or supplier of Seller, under the Purchase Documents or otherwise.

6. In the event that the financing of the Items of Equipment hereunder and/or any other Lease Supplement and under the Lease Agreement is deemed by a court of competent jurisdiction to be a lease intended for security, to secure payment and performance of Lessee's obligations under the Lease Agreement and this Lease Supplement and all other Fundamental Agreements, Lessee grants Lessor and its assigns and their successors a first priority security interest in the Items of Equipment identified herein and in all attachments, accessories, additions, substitutions, products, replacements, rentals and proceeds (including insurance proceeds) therefrom (collectively, "Collateral"). Lessee shall execute and timely deliver to Lessor financing statements or any other documents Lessor deems necessary to perfect or protect Lessor's security interest in the

Collateral. Lessor or Lessor's agent may file as a financing statement the Lease Agreement and/or this Lease Supplement (or copy thereof, where permitted by law) as Lessor deems necessary to perfect or protect Lessor's security interest in the Collateral. If Lessee fails to execute any such document, Lessor or Lessor's agent is hereby authorized to file any of the foregoing signed only by Lessor or Lessor's agent.

7. All of the terms and provisions of the Lease Agreement are hereby incorporated by reference in this Lease Supplement to the same extent as if fully set forth herein.

8. This Lease Supplement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

9. This Lease Supplement shall be governed by the internal laws (as opposed to conflicts of laws provisions) laws of the State of New Jersey.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed on the day and year first above written.

AT&T COMMERCIAL FINANCE CORPORATION

By: 

Name: Edward W. Andrews, Jr.  
Title: Senior Vice President

SOUTHERN PACIFIC TRANSPORTATION COMPANY

By: \_\_\_\_\_

Name:  
Title:





IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease Supplement to be duly executed on the day and year first above written.

AT&T COMMERCIAL FINANCE CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

SOUTHERN PACIFIC TRANSPORTATION COMPANY

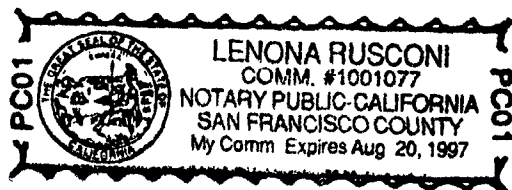
By:  \_\_\_\_\_  
Name: **L.C. YARBERRY**  
Title: **Vice President - Finance**

State of California       )  
                                  )  
County of San Francisco )

On November 12, 1993, before me, Lenona Rusconi, Notary Public, personally appeared L. C. Yarberry, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Lenona Rusconi



SCHEDULE A

Equipment description: aluminum/steel 100-ton quadruple hopper cars designed for rotary or bottom dump service

Manufactured by: Johnstown America Corporation

Car Numbers

SP 600002  
SP 600015  
SP 600022  
SP 600023  
SP 600024  
SP 600025  
SP 600026  
SP 600028  
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SP 600230

**SUPPLEMENT 002**  
**Schedule B**

<b><u>Rental</u></b> <b><u>Payment Date</u></b>	<b><u>Rental</u></b>
12/8/93	\$126,211.49
3/8/94	135,226.59
6/8/94	135,226.59
9/8/94	135,226.59
12/8/94	135,226.59
3/8/95	135,226.59
6/8/95	135,226.59
9/8/95	135,226.59
12/8/95	135,226.59
3/8/96	135,226.59
6/8/96	135,226.59
9/8/96	135,226.59
12/8/96	135,226.59
3/8/97	135,226.59
6/8/97	135,226.59
9/8/97	135,226.59
12/8/97	135,226.59
3/8/98	135,226.59
6/8/98	135,226.59
9/8/98	135,226.59
12/8/98	135,226.59
3/8/99	135,226.59
6/8/99	135,226.59
9/8/99	135,226.59
12/8/99	135,226.59
3/8/00	135,226.59
6/8/00	135,226.59
9/8/00	135,226.59
12/8/00	135,226.59
3/8/01	135,226.59
6/8/01	135,226.59
9/8/01	135,226.59
12/8/01	135,226.59
3/8/02	135,226.59
6/8/02	135,226.59
9/8/02	135,226.59
12/8/02	135,226.59
3/8/03	135,226.59
6/8/03	135,226.59
9/8/03	135,226.59
12/8/03	135,226.59
3/8/04	135,226.59
6/8/04	135,226.59
9/8/04	135,226.59
12/8/04	135,226.59
3/8/05	135,226.59
6/8/05	135,226.59

Page 2  
Supplement 002  
Schedule B

<u>Rental</u> <u>Payment Date</u>	<u>Rental</u>
9/8/05	135,226.59
12/8/05	135,226.59
3/8/06	135,226.59
6/8/06	135,226.59
9/8/06	135,226.59
12/8/06	135,226.59
3/8/07	135,226.59
6/8/07	135,226.59
9/8/07	135,226.59
12/8/07	135,226.59
3/8/08	135,226.59
6/8/08	135,226.59
9/8/08	135,226.59
12/8/08	135,226.59

**Schedule "C" to Lease Supplement No. 002**

<b>Lease Quarter with respect to which SLV is to be determined</b>	<b>Stipulated Loss Value Percentage</b>	<b>Lease Quarter with respect to which SLV is to be determined</b>	<b>Stipulated Loss Value Percentage</b>
1	106.201911	31	95.775540
2	106.476269	32	94.938831
3	106.661437	33	94.072846
4	106.794116	34	93.185156
5	106.873947	35	92.290340
6	106.909007	36	91.369641
7	106.894875	37	90.414932
8	106.836066	38	89.437042
9	106.728057	39	88.442958
10	106.582989	40	87.426327
11	106.401560	41	86.391349
12	106.183603	42	85.333291
13	105.924726	43	84.268593
14	105.634034	44	83.184349
15	105.315877	45	82.080695
16	104.966287	46	80.952880
17	104.580479	47	79.817328
18	104.166282	48	78.661115
19	103.723339	49	77.484359
20	103.246145	50	76.282294
21	102.729016	51	75.071323
22	102.181378	52	73.838505
23	101.602943	53	72.583940
24	100.988102	54	71.302841
25	100.331134	55	70.011593
26	99.641409	56	68.697236
27	98.927518	57	67.359849
28	98.180853	58	65.994624
29	97.397014	59	64.617928
30	96.589335	60	63.207612



## EXHIBIT B

Each lease shall contain the following language (with appropriate definitional changes): "Lessee hereby acknowledges, accepts and agrees: (i) that Lessee has received and reviewed the Mortgage and Security Agreement dated as of November 10, 1993 between Southern Pacific Transportation Company ("SP"), and AT&T Commercial Finance Corporation, as Collateral Agent thereunder ("Collateral Agent"), with respect to the locomotives mortgaged and secured thereunder (the "Equipment") together with any amendments thereto (collectively, "Security Agreement"); (ii) to observe the terms of the Security Agreement; (iii) that SP is the owner of the Equipment and Collateral Agent has a security interest therein pursuant to the Security Agreement; (iv) that the provisions of this Lease and Lessee's rights hereunder (including Lessee's right to quiet enjoyment of the Equipment) are subject and subordinate to the terms of the Security Agreement and Collateral Agent's rights thereunder; (v) that in the event that there is an event of default (as defined in the Security Agreement) under the Security Agreement, Collateral Agent shall be entitled to exercise all of SP's rights hereunder and under applicable law and the Collateral Agent's rights under the Security Agreement and under applicable law with respect to the Equipment (including repossession of the Equipment free and clear of any rights of Lessee under this Lease or otherwise), which rights may be exercised notwithstanding (x) compliance by the Lessee with the terms of this Lease and whether or not an event of default or default under this Lease has occurred or is continuing, or (y) any covenant or quiet enjoyment for the benefit of the Lessee contained in this Lease or the Security Agreement; and (vi) that in the event Lessee suffers any damages or loss (including consequential damages or loss of the benefit of a bargain) in connection with the exercise by Collateral Agent of any of Collateral Agent's rights specified in the foregoing clauses or in the Security Agreement or under applicable law, Lessee shall not have any claim with respect to any such damage or loss against the Equipment, the Collateral Agent or any Holder (as defined in the Security Agreement)."